

July 28, 2021

APM 21-03

MEMORANDUM FOR: All Participants in Ginnie Mae Programs

FROM: Michael Drayne, Acting Executive Vice President

SUBJECT: Periodic Maintenance and Miscellaneous Announcements APM

Periodically, Ginnie Mae implements minor updates to the MBS Guide, 5500.3, Rev-1 to ensure that its policies are clearly and accurately reflected and to notify Issuers about upcoming operational changes. Please note the following announcements.

Aligning the MBS Guide with the changes announced in APM 18-06

In APM 18-06 Ginnie Mae updated the Fidelity Bond and Errors and Omissions (E&O) insurance policy requirements in Chapter 2 of the MBS Guide. More specifically, APM 18-06 updated Chapter 2, Part 7, Section B, eliminated the Loss Payable Endorsement clause, revised Ginnie Mae's coverage and deductible requirements, and introduced a requirement that Issuers forward to Ginnie Mae a copy of their full Fidelity Bond and E&O insurance policy via the Independent Public Accountant (IPA) module within MyGinnieMae (MGM).

This APM removed Chapter 2, Part 7, Section B(3) of the MBS Guide because the language in it was made obsolete by APM 18-06. The former subsections B(4), B(5), and B(6) have become subsections B(3), B(4), and B(5) after this change.

Ginnie Mae also modified Chapter 3, Part 6, Section A(1), Part 13, Sections B(1) and C(1), and Part 14, as well as Chapter 7, Part 4, Section A(7) of the MBS Guide to reflect the changes announced in APM 18-06.

Other Changes

Appendix V-2 (Attestations of RPB for Loans Past Due for Final Certification) of the MBS Guide stated that Issuers with pools or loan packages that are past due for final certification and exceed the applicable threshold described in Chapter 11, Part 9, Section A must identify the pools and loans that are preventing final certification to determine the amount of the letter of credit that will be required from the Issuer. In Appendix V-2, the Original Principal Balance was used to determine the amount of the Letter of Credit that will be required from the Issuer; however best practices in the marketplace call for the Remaining Principal Balance to be used. Effective immediately, Ginnie Mae hereby changes "Original Principal Balance" to "Remaining Principal Balance" everywhere it appears Appendix V-2.



Ginnie Mae removed the reference to OMB from Appendix VI-8 (Excess Funds Agreement) because that form does not require a clearance from OMB.

Ginnie Mae modified Appendix III-27 (GNMA II Guaranty Agreement HMBS), Section 1.05(aa) in order to align it with the changes announced in APM 19-07. It now reads:

“Reporting Cutoff Date: With respect to a payment date for the Securities, HMBS Issuers must establish the last business day of the month as the monthly reporting cut-off date to ensure consistency across all HMBS program participants and with the provisions of the HMBS Investor Reporting Manual.”

Appendix III-29 correctly stated on the first page that Ginnie Mae requires a minimum of three Organization Administrators for each Issuer, as announced via APM 20-11. Page 2 of Appendix III-29 incorrectly stated that the minimum amount of Organization Administrators is two while three or more are recommended. A correction was made on page 2 of Appendix III-29 accordingly to consistently reflect that Ginnie Mae requires a minimum of three Organization Administrators, and encourages Issuers to have more than the minimum as a safeguard against operational challenges.

Chapter 11, Part 9, Sections A and B and Appendix V-3 (Attestations of RPB for Loans Past Due for Recertification) of the MBS Guide contained erroneous references to Chapter 11, Part 6, Section B. These have been replaced with the correct ones, which point to Chapter 11, Part 9, Sections A and B, respectively.

Appendix V-3 contained an erroneous reference to the Original Principal Balance in the table on page 2 of the document, which was changed to refer to the Remaining Principal Balance.

The language used in Chapter 2, Part 6(2)(c) of the MBS Guide to list the staff requirements for all applicants was changed from “government loan servicing, payment processing” to “government loan servicing, including payment processing.”

Chapter 2, Part 6(3)(a)(ii) was modified from “g. Claims processing (FHA/VA)” to “g. Claims processing (FHA/VA/RD/PIH).”

Chapter 2, Part 6(3)(b) was also updated in several areas to clarify that the section is referring to Multifamily originations.

Ginnie Mae remediated a gap in the MBS Guide by updating Chapter 3, Part 2 and Part 7, Section A(5) to explicitly state that in addition to FHA approval, issuers must also maintain VA, RD, and PIH approval (as applicable). While all issuers are required to be FHA approved, Issuers with VA, RD, and PIH loans in their portfolios are also required to be VA, RD, and PIH approved, respectively.



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The table in Chapter 11, Part 9, Section A(1)(c) contained a typing error referring to 50% instead of 5%. The error was fixed.

The second paragraph in Chapter 14, Part 2 of the MBS Guide was updated because it was truncated. It now reads:

“No Issuer or subcontract servicer may, without the written permission of Ginnie Mae, remove a loan, whether pursuant to a substitution or otherwise, from a pool or loan package or reduce a balance on a pooled loan for any reason not specifically authorized in the applicable Guaranty Agreement or in this Guide.”

Chapter 10, Part 2, Section B, Chapter 24, Part 2, Section A(4) and Part 3, Section A, Chapter 25, Part 3, Section A, Chapter 26, Part 3, Section A, Chapter 27, Part 3, Section A, Chapter 28, Part 3, Section A, Chapter 29, Part 3, Section A, and Chapter 30, Part 4, Section A of the MBS Guide contained an erroneous reference to Chapter 13, Part 4. It was replaced with the correct one, which is to Chapter 13, Part 7.

The incorrect numbering of the subsections in Chapter 35, Part 6, Section J of the MBS Guide was corrected.

Updated Summary of Addresses

Ginnie Mae has also updated its Summary of Addresses to ensure participants have the most up to date contact information for Ginnie Mae and its agents.



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